

# Program Summaries

## Budget Planning Assumptions

The 2004 King County Budget is built using the following assumptions:

**Salaries.** In 2004, reserves for salary and wage adjustments for COLA and Merit are budgeted in each appropriation unit in the Current Expense fund instead of holding central reserves in the Salary and Wage Contingency. Non-Current Expense funds continue to hold salary and wage reserve accounts within each fund. These reserves provide funding for COLA, merit and step increases. For most County employees the COLA increase is 90% of the change in the September to September national consumer price index (CPI-W), with a floor of 2.00%. The 2004 COLA is projected to be 2.00%. The contingencies also include reserves for merit, longevity increases, and other salary adjustments. The methodology in the Current Expense Fund eliminates the need for a COLA Ordinance to distribute funding from the central Salary and Wage Contingency to each Current Expense appropriation unit.

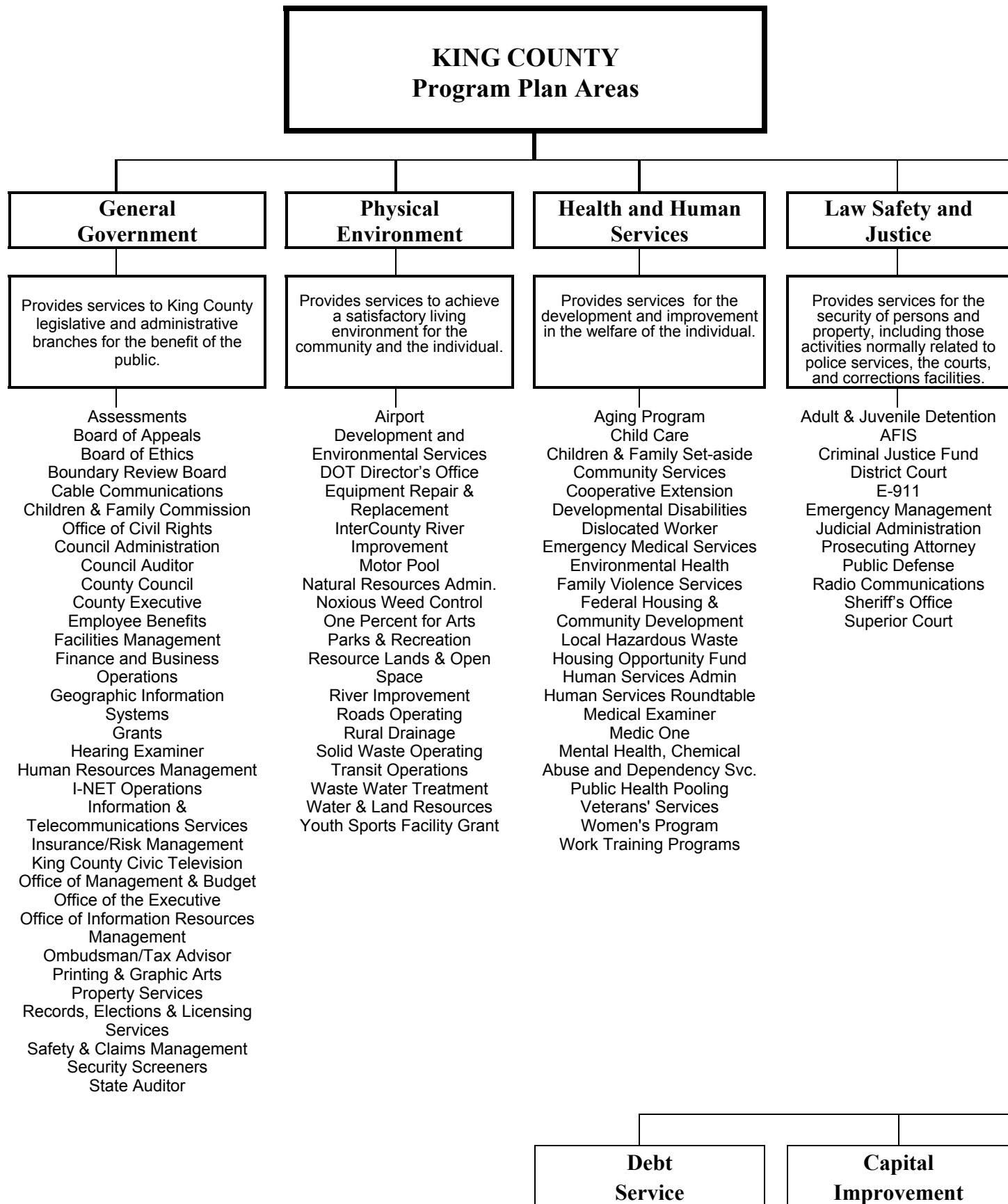
**Medical Benefits.** Expenditures for providing medical/dental benefits to employees are budgeted to increase about 19.2% in 2004 over 2003 levels.

**Internal Service Rates.** The 2004 Proposed Budget includes increases in several internal service rates, including ITS-Technology Services, ITS-Telecommunications, Facilities Management, Office of Information Resource Management, Risk Management and Finance.

**Current Expense Underexpenditure.** Prior to 1997, the CX Financial Plan assumed a 1.00% underexpenditure rate. Beginning in 1997, the CX Financial Plan assumed a 1.50% underexpenditure rate which was increased to a 1.75% rate in 1998, 1999, 2000 and 2001. For 2002, the underexpenditure rate increased to 2.00%. In the 2004 Proposed Budget, 1.25% of the required underexpenditure has been reduced from CX operating and CX transfer budgets to more directly budget for assumed underexpenditure levels. A remaining central contra of 0.75% is held in the CX Financial Plan, for a total assumption of 2.00%. Departments are expected to manage their appropriations to achieve the underexpenditure.

**Major Maintenance Reserve Fund.** The 2004 Proposed Budget includes the transfer of \$3.9 million of revenues designated for the Sales Tax Reserve subfund to the Major Maintenance Reserve Fund and in support of the other CIP programs. The County's financial policies allow for expenditure from the Sales Tax Reserve Fund when the fund balance exceeds \$15 million. This balance was achieved in 1994.

## BUDGET PLANNING ASSUMPTIONS



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### Summary Comparison of 2004 Appropriations by Program Category All Resources

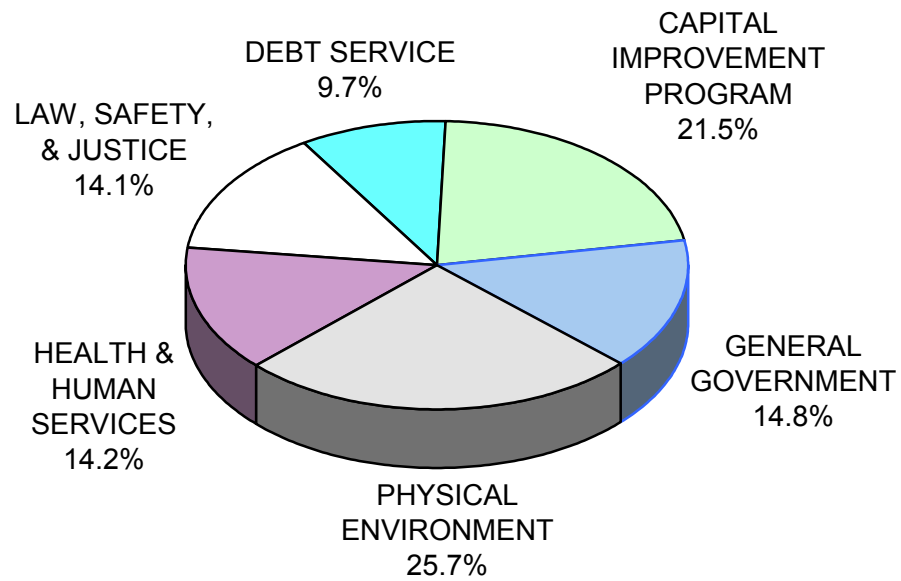
Program Category	2002 Adopted	2003 Adopted	2004 Proposed	2004 - 2003 \$ Change	% Change
General Government	357,377,888	387,726,429	429,247,012	41,520,583	10.7%
Physical Environment	797,224,857	749,726,108	744,998,399	(4,727,709)	-0.6%
Health & Human Services	424,050,250	414,207,878	410,915,588	(3,292,290)	-0.8%
Law, Safety & Justice	380,506,181	387,354,758	407,690,175	20,335,417	5.2%
<b>Total Operating</b>	<b>1,959,159,175</b>	<b>1,939,015,173</b>	<b>1,992,851,174</b>	<b>142,545,668</b>	<b>7.4%</b>
Debt Service	254,154,873	278,666,966	280,565,479	1,898,513	0.7%
Capital Improvement	639,484,433	855,498,682	624,096,549	(231,402,133)	-27.0%
<b>TOTAL</b>	<b>2,852,798,482</b>	<b>3,073,180,821</b>	<b>2,897,513,202</b>	<b>267,188,170</b>	<b>8.7%</b>
<b>Non-Categorized</b>					
CX Fund Transfers	33,057,309	32,870,641	47,253,976		
Sales Tax Contingency	4,193,736	4,020,313	3,920,150		
Children and Family Services	3,908,975	3,668,862	10,668,413		
CJ Funds Other	806,722	694,282	481,243		
Roads and Airport Construction Transfer	25,288,232	27,738,424	29,788,813		
PERS Liability and Risk Abatement	17,694,516	2,506,446	34,625,500		
Total Non-Categorized	84,949,490	71,498,968	126,738,095		
<b>Grand Total</b>	<b>\$ 2,937,747,972</b>	<b>\$ 3,144,679,789</b>	<b>\$ 3,024,251,297</b>		

### Summary Comparison of 2004 Appropriations by Program Category Current Expense and General Fund

Program Category	2002 Adopted	2003 Adopted	2004 Proposed	2004 - 2003 \$ Change	% Change
General Government	77,822,476	72,815,132	79,910,858	7,095,726	9.7%
Physical Environment	25,566,341	16,381,008	5,408,086	(10,972,922)	(67.0%)
Health & Human Services	11,258,053	8,276,929	25,334,268	17,057,339	206.1%
Law, Safety & Justice	334,635,231	339,255,712	360,738,337	21,482,625	6.3%
CX Transfers to CIP	3,420,237	6,814,006	23,027,170	16,213,164	237.9%
Other Agencies	40,589,141	45,097,541	14,002,282	(31,095,259)	(69.0%)
<b>Total Current Expense*</b>	<b>493,291,479</b>	<b>488,640,328</b>	<b>508,421,001</b>	<b>19,780,673</b>	<b>4.0%</b>
<b>Subfunds to the General Fund</b>					
Sales Tax Reserve Contingency	4,193,736	4,020,313	3,920,150	(100,163)	(2.5%)
Children and Families Set-Aside	3,908,975	3,668,862	10,668,413	6,999,551	190.8%
Inmate Welfare	1,811,658	1,865,308	1,198,223	(667,085)	(35.8%)
<b>Total General Fund</b>	<b>\$ 503,205,848</b>	<b>\$ 498,194,811</b>	<b>\$ 524,207,787</b>	<b>\$ 26,012,976</b>	<b>5.2%</b>

\*The financial plan and this table reconcile by reducing the total general fund amount by \$3,920,150 for the Sales Tax Reserve Contingency (which is a transfer to the CX Transfers to CIP) and by a \$4,552,379 for the Children and Families Set-Aside transfer to the Current Expense Fund. **The total is \$515,735,258.**

**Distribution of 2004 Expenditures by Program Category**  
**All Funds \$2.9 Billion**



**Distribution of 2004 Expenditures by Program Area**  
**General Fund**  
**\$515.7 Million**

